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RUEHOT/AMEMBASSY OTTAWA IMMEDIATE 0270
RUEHUL/AMEMBASSY SEOUL IMMEDIATE 0222
RUEHAAA/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE
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STATE FOR D (FRITZ), EAP/FO, EAP/RSP, AND EAP/ANP
NSC FOR VICTOR CHA
OSD FOR ISD/JESSICA POWERS
PACOM FOR J01E/J2/J233/J5/SJFHQ

E.O. 12958: DECL: 10/25/2016

TAGS: KNNP PREL PARM NZ KN

SUBJECT: UNSCR 1718: NEW ZEALAND SEEKS GUIDANCE AS IT PUSHES AHEAD

REF: A. WELLINGTON 814

- 1B. STATE 172816
- 1C. WELLINGTON 798
- 1D. WELLINGTON 778

Classified By: DCM David J. Keegan,
for reasons 1.4(b) and (d)

11. (SBU) This message contains an action request, at paragraph 8.

12. (C) Summary: In 15 recent speeches, NZ leaders have condemned North Korea's nuclear test and urged the DPRK to return to the six-party talks. The leaders are also pushing their ministries to implement UNSCR 1718 as soon as possible. Five GNZ agencies are reviewing current laws and policies to see what is needed. The agencies would appreciate learning how the US intends to implement the resolution, especially: 1) how we will define luxury goods, 2) which controlled items we believe should be included, 3) whether we will offer indemnity to banks that wrongly freeze assets, 4) which family members will be covered under our travel ban on N.Korean officials, and 5) the definition of banned "services" related to controlled items. The officials would also appreciate our read-out on whether interdictions will be implemented through PSI or other means. They stress that these questions are not impeding their progress, and that GNZ should be able to fully implement the UNSCR 1718 by the year's end. End Summary.

GNZ IS WITH THE PROGRAM...

13. (C) On October 24, Pol-Econ Counselor met at the Ministry of Foreign Affairs and Trade with Tara Morton, Legal Advisor; Carolyn Schwalger, Senior Policy Officer, North Asia Division; Gabrielle Rush, Deputy Director Americas Division (and Legal Advisor); and Cecilia Warren, Policy Officer,

Non-proliferation Division. The officials reported that GNZ is working hard to implement UNSCR 1718. Following a meeting last week, they and counterparts from Customs, Police, Justice, and Immigration are reviewing what is needed, including through consultations with U.S., Australian, and other like-minded officials.

¶4. (C) Once their review is complete, the officials will send a memo to Foreign Minister Peters asking him to instruct the Parliamentary Council Office (PCO) to draft legislation to implement the sanctions under New Zealand's UN Act. In reality, PCO is already aware of the resolution and is in close contact with the working level officials conducting the review, so the drafting should move very quickly. Once drafted, relevant Ministries will sign off on the legislation and it will be submitted to Cabinet, asking they adopt the measures by Executive Council (i.e. without Parliamentary approval). The legislation will then be published in the New Zealand Gazette. Legislation normally enters into force 28 days after being published in the Gazette, but because of this resolution's urgency GNZ will seek to waive this rule to allow the measures to take effect immediately. The MFAT officials believe the sanctions will be in place by the end of the year.

...BUT SEEK SOME SPECIFICS IN KEY AREAS

¶5. (C) According to the MFAT legal advisors, most of the resolution should be easy to implement, as it invokes Article 7 and is similar to other UN resolutions that GNZ has already put into place. But as they review the UNSCR 1718 text, GNZ officials have a few questions on UNSCR's provisions. They would appreciate USG views on the following:

- a) Regarding paragraph 8A (1) and (2): GNZ is monitoring the Sanctions Committee debate on which military and controlled items should be included. They believe it is highly likely that NZ already bans trade in any items likely to end up on the final list. What do we believe the final list should include?
- b) Regarding paragraph 8A (3): GNZ is disappointed that the Sanctions Committee did not define luxury goods, and officials wonder how we intend to implement this provision. Will we define luxury items as anything other than essential food and medicines, or do we have something more specific in mind? On this and all items covered by 1718, GNZ vastly prefers specific lists as these offer more certainty to both Customs and exporters.
- c) GNZ will look to the Sanctions Committee for guidance on which family members will be covered under the travel ban on N.Korean leaders, but would also appreciate our views. In reality, New Zealand already screens very closely all DPRK visa applications, but border officials especially would appreciate a detailed list of names. They also would like as much biographic information as possible about those covered, to help avoid cases of mistaken identity.
- d) Regarding the financial assets freeze, New Zealand understands Australia will provide indemnity to banks if they accidentally freeze assets of individuals not covered by the sanctions. As they debate whether to take similar measures, GNZ officials would appreciate learning whether we intend to offer indemnity to US banks. There are now over 15,000 South Koreans in New Zealand, and GNZ anticipates local banks may make errors because so many Korean names are similar.
- e) Regarding paragraph 8C, GNZ is unfamiliar with the definition of "services" related to controlled items, and would appreciate any clarification we could provide.

¶6. (C) The GNZ also wonders how others in the region believe UNSCR 1718-related interdictions should be handled, and would greatly appreciate our views as well as any read-out we can

share of the Secretary's and other USG discussions on this question with regional counterparts.

ON THE FAST TRACK

¶ 17. (C) The MFAT officials say that PM Clark, Ministers Peters and Goff, and other senior officials have made clear their expectation that GNZ working level officials must make implementation of UNSCR 1718 their top priority. The officials say they cannot recall a time in recent memory when the senior level has been so engaged on a UN sanctions issue. They believe this is due to New Zealand's stated commitment to non-proliferation, to the fact that North Korea is much closer to home than other sanctioned countries, and to the issue's strong geo-political implications.

¶ 18. (C) Comment: GNZ also no doubt also sees implementation of UNSCR 1718 as a way to demonstrate to A/S Hill and other USG officials New Zealand's willingness to stand together with the United States. But whatever the case, commitment at the leaders', senior, and working levels is palpable. We will continue to monitor GNZ's implementation of the resolution as it moves ahead. We would also appreciate guidance on GNZ's questions as related in paras 5-6. End Comment.

McCormick